

PART 2

**2005 HOME PROGRAM
ANNUAL PERFORMANCE REPORT**

MARCH 2006

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Special acknowledgements to:

Doug Hunter, HOME Program Manager

Cheryl Bayle, TBRA Program Manager

Pat McLachlan, HRRP Program Manager

Low-Income Housing Developers in Washington State

INTRODUCTION

This Annual Performance Report summarizes the progress made in Washington State's HOME Program during the performance period of January 1, 2004 to December 31, 2004.

Eligible activities included acquisition, moderate and substantial rehabilitation, new construction, minor home repair and tenant-based rental assistance. Many of the HOME Program projects reached well beyond our goal of serving families at or below 50 percent of the area median income and served those households at or below 30 percent.

CONSOLIDATED PLAN

The Department of Community, Trade and Economic Development (CTED) made tremendous strides in fulfilling the overall strategy, objectives and priorities of the state Consolidated Plan.

The successful implementation of the Consolidated Plan is due to a number of key factors. One major factor is that CTED has been successful in establishing, nurturing, and solidifying professional working relationships with local community-based organizations, representing the many different facets of the housing arena. This includes private lenders, realtors, nonprofit and other government agencies.

As stated in the Consolidated Plan, one of the primary objectives is to significantly increase the quantity and quality of affordable housing for that segment of the population most in need. This goal is being accomplished by targeting HOME and state funds to households at or below 50 percent of the area median income. As noted in the introduction, many households served are well below 30 percent of the area median income level.

ANALYSIS OF FUND DISTRIBUTION

Over \$91 million has been awarded to projects for activities identified in the state's HOME program description since the HOME Program began in Washington State. Of that \$91 million, approximately \$11 million was awarded during this performance period. Eligible activities include home repair and rehabilitation, tenant-based rental assistance, moderate and substantial rehabilitation, and new construction. Many of these projects have made substantial progress toward completion. The following information summarizes the activities by the state's HOME Program during the performance period and discusses the relationship of each activity with the State's Consolidated Plan.

**Table 1 –
HOME FY 2005 –
DISBURSEMENT AND UNIT COMPLETION DATA FROM IDIS**

HOME DISBURSEMENTS AND UNIT COMPLETIONS							
ACTIVITY TYPE	DISBURSED AMOUNT	UNITS COMPLETED	UNITS OCCUPIED				
Rentals	\$818,994	38	38				
TBRA	364,266	724	724				
First-Time Homebuyers (ADDI)	153,653	15	15				
Existing Homeowners	2,721,337	249	249				
Total Rentals and TBRA	\$1,183,260	762	762				
Total, Homebuyers and Homeowners	2,874,990	264	264				
Total All Activities	\$4,058,250	1,011	1,011				
HOME UNIT COMPLETIONS BY PERCENT OF AREA MEDIAN INCOME							
ACTIVITY TYPE	0%-30%	31%-50%	51%-60%	61%-80%	0%-60%	0%-80%	
Rentals	20	18	0	0	38	0	
First-Time Homebuyers (ADDI)	0	2	4	9	6	15	
Existing Homeowners	178	52	3	1	233	234	
Total Rentals	20	18	0	0	38	38	
<i>Lower Income Benefit %</i>	<i>53%</i>	<i>47%</i>	<i>0</i>	<i>0</i>	<i>100%</i>	<i>100%</i>	
Total, Homebuyers and Homeowners	178	54	7	10	239	249	
<i>Lower Income Benefit %</i>	<i>71%</i>	<i>22%</i>	<i>3%</i>	<i>4%</i>	<i>96%</i>	<i>100%</i>	
Total Rental, Homebuyers and owners	198	72	7	10	287	287	
<i>Lower Income Benefit %</i>	<i>69%</i>	<i>25%</i>	<i>2%</i>	<i>4%</i>	<i>100%</i>	<i>100%</i>	

HOME COMPLETED ACTIVITIES (All Program Years)							
	0%-30%	31%-50%	51%-60%	61%-80%	0%-60%	0%-80%	
RENTAL ACTIVITIES							
Units Completed	601	354	74	13	1,029	1,042	
TBRA Families	4,462	579	19	4	5,060	5,064	
<i>Lower Income Benefit %</i>	<i>82%</i>	<i>15%</i>	<i>2%</i>	<i>1%</i>	<i>99%</i>	<i>100%</i>	
HOMEBUYER ACTIVITIES							
Units Completed	14	43	25	14	82	96	
<i>Lower Income Benefit</i>	<i>15%</i>	<i>44%</i>	<i>26%</i>	<i>15%</i>	<i>85%</i>	<i>100%</i>	
HOMEOWNER ACTIVITIES							
Units Completed	1,006	586	28	9	1,620	1,629	
<i>Lower Income Benefit %</i>	<i>61%</i>	<i>36%</i>	<i>2%</i>	<i>1%</i>	<i>99%</i>	<i>100%</i>	
TOTALS BY MEDIAN INCOME							
Units Completed	1,621	983	127	36	2,731	2,767	
TBRA Families	4,462	579	19	4	5,060	5,064	
<i>Lower Income Benefit %</i>	<i>77%</i>	<i>20%</i>	<i>2%</i>	<i>1%</i>	<i>99%</i>	<i>100%</i>	

NOTES FOR TABLE 1C - HOME

General Information

This is information gathered from a standard pre-programmed report from HUD's Integrated Disbursement and Information System (IDIS) that summarizes accomplishments under HOME. As projects are completed, information on disbursements and services by percent of area median income (household income type) are entered into the IDIS system.

- CTED uses HOME for developing and preserving multi-family rental units under the "Rentals" category.
- The first-time homebuyer units noted in the report are funded with American Dream Downpayment Initiative (ADDI) funds, a set-aside of HOME funds for first-time homebuyers.
- HOME funds for existing homeowners reflect the activities of the Home Repair and Rehabilitation Program (HRRP). This program provides repair and rehabilitation of low-income owner occupied single-family dwellings combined with federal, state and locally-funded weatherization services.

HOME Disbursement and Unit Completions

This is a report of disbursements of HOME funds by activity and by units completed and occupied. CTED has not located a report that will provide disbursement activity by household income type, within each activity. For example, there is no IDIS report that will indicate the amount disbursed for Rental projects that benefited those households with incomes of 0 percent to 30 percent.

HOME Unit Completions by Percent of Area Median Income

This is a report of households served in each activity area, by the percent of area median income group. For example, of the units completed and occupied in a given year in the "Rentals" line item activity, the number of households with incomes between 0 – 30 percent, 31 – 50 percent, 51 – 60 percent or 61 – 80 percent are so noted in the report.

HOME Completed Activities

This is a report of households served in the rental (including Tenant Based Rental Assistance (TBRA) and homebuyer and homeowner activities, by the percent of area median income group. However, unlike the reports for Rentals and Existing Homeowners, there is no separate report by program year. This table represents information reported for all program years. There is no IDIS report that will show TBRA information by program year.

Historical Data

Information from 1999-2005 on the percentage of units completed for extremely-low income households (0% - 30%) is provided below:

Households at 0 – 30 percent of Area Median Income

Activity	Program Year						
	1999	2000	2001	2002	2003	2004	2005
Rentals	54%	63%	57%	58%	59%	55%	83%
First-Time Homebuyers	0	0	0	0	0	0	15%
Existing Homeowners	65%	55%	62%	60%	65%	73%	62%

TENANT-BASED RENTAL ASSISTANCE (TBRA)

Performance Period Awards: **\$2,877,816**
Projected Households Served: **903**

Funds were awarded to fourteen agencies to provide tenant-based rental assistance during the reporting period. Eligible applicants include agencies that do not receive TBRA funding directly from HUD. The client-targeted groups now include foster children ages 18-20 who are transitioning to independence; chronically mentally ill, developmental disabled, or other special needs populations; farm workers who are seeking permanent year round rental housing; households transitioning to self sufficiency; homeless families with children; and pregnant or parenting youth. These activities are aligned with the state's Five Year Strategy by helping households retain existing housing or find housing that is safe, decent and affordable.

Fair housing is an eligible activity for funding under the TBRA rules adopted by CTED. Compliance with fair housing requirements and definitions and use of the Fair Housing Logo are program requirements and are included in the monitoring instrument used by CTED to monitor program activities.

HOME REPAIR AND REHABILITATION PROGRAM (HRRP)

Performance Period Awards: **\$4,068,220**
Projected Households Served: **207**

The funds were allocated to 16 agencies that have existing weatherization programs. In awarding funds, preference was given to rural areas. The goal of the HRRP is to meet the needs of very low-income clients in the most cost-effective manner by performing repairs while doing residential retrofits. Complete weatherization must be done in addition to the repair and total repair cost per unit is capped at \$25,000, with an additional \$10,000 available to remediate lead-based paint and an additional \$5,000 to remediate asbestos. The Home Repair and Rehabilitation Program continues to meet the needs identified in the state's Consolidated Plan by assisting very low-income homeowners retain their housing through home repair, rehabilitation and weatherization, and preserving existing housing stock.

NEW CONSTRUCTION

Performance Period Awards:

Rental Housing: \$4,468,813

Homeownership: None

Projected Households Served: 152

The awards for new construction projects during this performance period include funding from multiple fiscal years. The construction of new affordable rental continues to be a significant aspect of the state's HOME Program. The creation of new affordable housing stock enables populations who are not well-served by the present housing stock, including large families, single non-elderly, frail elderly and others to access affordable housing.

MODERATE AND SUBSTANTIAL REHABILITATION/ACQUISITION

Performance Period Awards:

Substantial Rehabilitation/Moderate Rehabilitation: \$1,820,315

Acquisition: None

Projected Households Served: 108

The awards for moderate and substantial rehabilitation and acquisition projects made during this performance period include funding from multiple fiscal years. The substantial rehabilitation and acquisition of existing affordable housing stock and vacant buildings, where feasible, increases the local capacity to house its populations in safe, decent and affordable housing. Washington State requires a long-term commitment to affordability in these housing units. These activities are consistent with the state's strategy to develop the availability and affordability of housing for renter households earning less than 50 percent of area median income.

PRIVATE SECTOR PARTICIPATION

The success of the state's HOME Program depends upon the network that has been established with the private sector. This network is not only a mechanism to exchange vital information pertaining to the affordable housing market and the delivery of service to that market, but also a financial resource to leverage state and federal funds.

CTED continues to collaborate with the Building Industry Association of Washington, Washington Association of Businesses, Washington Association of Realtors, Washington State Housing Finance Commission, Mortgage Bankers Association, Housing Energy Efficiency Policy Advisory Council, Washington Apartment Association, community action agencies and many other private organizations to address issues affecting the affordable housing market.

CTED works with twenty-six community action agencies statewide to weatherize homes and seventeen to rehabilitate homes. The Washington State Community Action Partnership and the Weatherization and Repair Work Group work with CTED staff to address Housing Division goals.

The Washington State Housing Policy Act (43.185B RCW) addresses a broad range of elements, each of which can impact the production of affordable housing. The primary goal of the Act is to coordinate, encourage, and direct, when necessary, the efforts of the public and private sectors in the attainment of safe and decent housing for every resident of the state.

To help achieve the objectives of the Act, the Governor appointed an Affordable Housing Advisory Board (AHAB). The 21-member Board has representatives from home mortgage lenders, residential construction, real estate, apartment management and operation, for-profit and non-profit developers, special needs populations, public housing authorities, homeless shelter operators, and representatives from state, county and city government.

The ongoing activities of the AHAB have made an impact on the issues that impede the production of affordable housing. The AHAB brings representatives of the major sectors within the housing industry together with advocates for affordable housing to determine optimum ways of meeting the state's goals regarding affordable housing.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO)

Performance Period Awards: \$2,708,083

Projected Households Served: 111

These funds were awarded to four organizations for new construction and rehabilitation projects during this performance period. CTED will continue to ensure that the 15% CHDO set-aside requirement is met for each FFY allocation of HOME Program funds. Historically, CTED meets or exceeds this requirement. During this reporting period 24 percent of the total HOME awards were awards to CHDO's.

AFFIRMATIVE MARKETING

All recipients of HOME funds activate their affirmative marketing policies prior to the initiation of HOME funded projects. CTED requires that every recipient of HOME funds take specific actions to provide information and attract eligible persons from all racial, ethnic and gender groups in the housing market. Contractual language requires that each recipient of HOME Program funds use affirmative marketing practices in soliciting renters and buyers who participate in the program.

The following procedures are used for all HOME-assisted units throughout the compliance period:

1. Project sponsor advertising of vacant units must include the equal housing opportunity logo or statement. Advertising media may include, but is not limited to, newspaper, radio, television, brochures, leaflets, or a sign displayed in a window.
2. The project sponsor will be required to solicit applications for the vacant units from persons in the housing markets who are least likely to apply for HOME-assisted housing without benefit of special outreach efforts, including placing advertising in minority-specific media.
3. The project sponsor must maintain a file containing all marketing efforts (i.e., copies of newspaper ads, memos of phone calls, copies of letter, etc.) The records, which help assess the results of these actions, must be available for inspection by CTED.
4. The project sponsor shall maintain a listing of all tenants residing in each unit at the time of application submittal through the end of the compliance period.

MINORITY OUTREACH

All CTED contractors are required by contract to make a good faith effort to solicit bids from minority (MBE) and women (WBE) owned businesses enterprises. Applicants for HOME Program funds are required to describe the efforts they would make to encourage participation by MBE's and WBE's prior to receiving HOME funds and, once funded, are contractually obligated to make a reasonable effort to solicit bids from MBE's and WBE's. Contractors solicited bids using newspaper ads and direct mailings.

CTED contractors have had limited success obtaining bids and contracting with both MBE's and WBE's in many areas of the state. Some areas of the state have no local MBE's or WBE's. In other areas, MBE's and WBE's are simply not interested in contracting for work of this nature. In an effort to improve performance in the use of MBE's and WBE's for future contracts, contractors will continue to advertise in women and minority media which are distributed statewide, as well as general circulation publications, and to contact both local and non-local MBE's and WBE's directly to determine their interest in receiving future bid requests. Details concerning the impact of CTED's MBE and WBE outreach efforts are noted on the attached report form.

TENANT RELOCATION ASSISTANCE

CTED discourages the displacement of low-income tenants in HOME-funded projects. Applicants are encouraged to develop projects, which minimize the displacement of low-income tenants, including the development of new construction projects to increase the number of available low-income housing units.

Tenants are surveyed by applicants early in the development of HOME funded projects to identify the need for relocation assistance. Tenants are surveyed upon receipt of site control for a project, during construction and upon completion of the project to determine their need for relocation assistance.

Tenants are identified as non-displaced, temporarily relocated, or displaced. Persons needing temporary relocation assistance include those moved within a project, or off-site temporarily, during a project. Those persons identified as displaced will receive relocation assistance as noted in the Uniform Relocation Act (URA) or 104(d) requirements, as applicable.

Notices will be distributed by recipients of HOME funds to all tenants of HOME-assisted housing units. The general information notice will be distributed after receipt of site control for the project. Notices of eligibility for relocation assistance or non-displacement will be distributed after closing on the property.

During the FFY 2005 performance period two households were temporarily relocated, but no households were displaced.

Annual Performance Report HOME Program

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

OMB Approval No. 2506-0171
(exp. 05/31/2007)

Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owners or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and expenditure deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain project-specific data elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

This form is intended to collect numeric data to be aggregated nationally as a complement to data collected through the Cash and Management Information (C/MI) System. Participants should enter the reporting period in the first block. The reporting period is October 1 to September 30. Instructions are included for each section if further explanation is needed.

Submit this form on or before December 31.	This report is for period (mm/dd/yyyy)		Date Submitted (mm/dd/yyyy)
Send one copy to the appropriate HUD Field Office and one copy to: HOME Program, Rm 7176, 451 7th Street, S.W., Washington D.C. 20410	Starting	Ending	

Part I Participant Identification

1. Participant Number	2. Participant Name		
3. Name of Person completing this report		4. Phone Number (Include Area Code)	
5. Address	6. City	7. State	8. Zip Code

Part II Program Income

Enter the following program income amounts for the reporting period: in block 1, enter the balance on hand at the beginning; in block 2, enter the amount generated; in block 3, enter the amount expended; and in block 4, enter the amount for Tenant-Based rental Assistance.

1. Balance on hand at Beginning of Reporting Period	2. Amount received during Reporting Period	3. Total amount expended during Reporting Period	4. Amount expended for Tenant-Based Rental Assistance	5. Balance on hand at end of Reporting Period (1 + 2 - 3) = 5
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Part III Minority Business Enterprises (MBE) and Women Business Enterprises (WBE)

In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.

	a. Total	Minority Business Enterprises (MBE)				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
A. Contracts						
1. Number						
2. Dollar Amount						
B. Sub-Contracts						
1. Number						
2. Dollar Amount						
	a. Total	b. Women Business Enterprises (WBE)	c. Male			
C. Contracts						
1. Number						
2. Dollar Amount						
D. Sub-Contracts						
1. Number						
2. Dollar Amounts						

Part IV Minority Owners of Rental Property

In the table below, indicate the number of HOME assisted rental property owners and the total dollar amount of HOME funds in these rental properties assisted during the reporting period.

	a. Total	Minority Property Owners				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
1. Number						
2. Dollar Amount						

Part V Relocation and Real Property Acquisition

Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition. The data provided should reflect only displacements and acquisitions occurring during the reporting period.

	a. Number	b. Cost				
1. Parcels Acquired						
2. Businesses Displaced						
3. Nonprofit Organizations Displaced						
4. Households Temporarily Relocated, not Displaced						

Households Displaced	a. Total	Minority Business Enterprises (MBE)				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
5. Households Displaced - Number						
6. Households Displaced - Cost						

HOME Match Report

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0171
(exp. 05/31/2007)

Part I Participant Identification

	Match Contributions for Federal Fiscal Year (yyyy)
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1. Participant No. (assigned by HUD)	2. Name of the Participating Jurisdiction		3. Name of Contact (person completing this report)
5. Street Address of the Participating Jurisdiction			4. Contact's Phone Number (include area code)
6. City	7. State	8. Zip Code	

Part II Fiscal Year Summary

1. Excess match from prior Federal fiscal year	\$	
2. Match contributed during current Federal fiscal year (see Part III.9.)	\$	
3. Total match available for current Federal fiscal year (line 1 + line 2)		\$
4. Match liability for current Federal fiscal year		\$
5. Excess match carried over to next Federal fiscal year (line 3 minus line 4)		\$

Part III Match Contribution for the Federal Fiscal Year

[illegible]

[illegible]

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owners or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and expenditure deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain project-specific data elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

Instructions for the HOME Match Report

Applicability:

The HOME Match Report is part of the HOME APR and must be filled out by every participating jurisdiction that incurred a match liability. Match liability occurs when FY 1993 funds (or subsequent year funds) are drawn down from the U.S. Treasury for HOME projects. A Participating Jurisdiction (PJ) may start counting match contributions as of the beginning of Federal Fiscal Year 1993 (October 1, 1992). A jurisdiction not required to submit this report, either because it did not incur any match or because it had a full match reduction, may submit a HOME Match Report if it wishes. The match would count as excess match that is carried over to subsequent years. The match reported on this form must have been contributed during the reporting period (between October 1 and September 30).

Timing:

This form is to be submitted as part of the HOME APR on or before December 31. The original is sent to the HUD Field Office. One copy is sent to the

Office of Affordable Housing Programs, CGHF
Room 7176, HUD, 451 7th Street, S.W.
Washington, D.C. 20410.

The participating jurisdiction also keeps a copy.

Instructions for Part II:

1. **Excess match from prior Federal fiscal year:** Excess match carried over from prior Federal fiscal year.
2. **Match contributed during current Federal fiscal year:** The total amount of match contributions for all projects listed under Part III in column 9 for the Federal fiscal year.

3. **Total match available for current Federal fiscal year:** The sum of excess match carried over from the prior Federal fiscal year (Part II, line 1) and the total match contribution for the current Federal fiscal year (Part II, line 2). This sum is the total match available for the Federal fiscal year.

4. **Match liability for current Federal fiscal year:** The amount of match liability is available from HUD and is provided periodically to PJs. The match must be provided in the current year. The amount of match that must be provided is based on the amount of HOME funds drawn from the U.S. Treasury for HOME projects. The amount of match required equals 25% of the amount drawn down for HOME projects during the Federal fiscal year. Excess match may be carried over and used to meet match liability for subsequent years (see Part II line 5). Funds drawn down for administrative costs, CHDO operating expenses, and CHDO capacity building do not have to be matched. Funds drawn down for CHDO seed money and/or technical assistance loans do not have to be matched if the project does not go forward. A jurisdiction is allowed to get a partial reduction (50%) of match if it meets one of two statutory distress criteria, indicating “fiscal distress,” or else a full reduction (100%) of match if it meets both criteria, indicating “severe fiscal distress.” The two criteria are poverty rate (must be equal to or greater than 125% of the average national family poverty rate to qualify for a reduction) and per capita income (must be less than 75% of the national average per capita income to qualify for a reduction). In addition, a jurisdiction can get a full reduction if it is declared a disaster area under the Robert T. Stafford Disaster Relief and Emergency Act.

5. **Excess match carried over to next Federal fiscal year:** The total match available for the current Federal fiscal year (Part II, line 3) minus the match liability for the current Federal fiscal year (Part II, line 4). Excess match may be carried over and applied to future HOME project match liability.

Instructions for Part III:

1. **Project No. or Other ID:** “Project number” is assigned by the C/MI System when the PJ makes a project setup call. These projects involve at least some Treasury funds. If the HOME project does not involve Treasury funds, it must be identified with “other ID” as follows: the fiscal year (last two digits only), followed by a number (starting from “01” for the first non-Treasury-funded project of the fiscal year), and then at least one of the following abbreviations: “SF” for project using shortfall funds, “PI” for projects using program income, and “NON” for non-HOME-assisted affordable housing. Example: 93.01.SF, 93.02.PI, 93.03.NON, etc.

Shortfall funds are non-HOME funds used to make up the difference between the participation threshold and the amount of HOME funds allocated to the PJ; the participation threshold requirement applies only in the PJ’s first year of eligibility. [§92.102]

Program income (also called “repayment income”) is any return on the investment of HOME funds. This income must be deposited in the jurisdiction’s HOME account to be used for HOME projects. [§92.503(b)]

Non-HOME-assisted affordable housing is investment in housing not assisted by HOME funds that would qualify as “affordable housing” under the HOME Program definitions. “NON” funds must be contributed to a specific project; it is not sufficient to make a contribution to an entity engaged in developing affordable housing. [§92.219(b)]

2. **Date of Contribution:** Enter the date of contribution. Multiple entries may be made on a single line as long as the contributions were made during the current fiscal year. In such cases, if the contributions were made at different dates during the year, enter the date of the last contribution.
3. **Cash:** Cash contributions from non-Federal resources. This means the funds are contributed permanently to the HOME Program regardless of the form of investment the jurisdiction provides to a project. Therefore all repayment, interest, or other return on investment of the contribution must be deposited in the PJ’s HOME account to be used for HOME projects. The PJ, non-Federal public entities (State/local governments), private entities, and individuals can make contributions. The grant equivalent of a below-market interest rate loan to the project is eligible when the loan is not repayable to the PJ’s HOME account. [§92.220(a)(1)] In addition, a cash contribution can count as match if it is used for eligible costs defined under §92.206 (except administrative costs and CHDO operating expenses) or under §92.209, or for the following non-eligible costs: the value of non-Federal funds used to remove and relocate ECHO units to accommodate eligible tenants, a project reserve account for replacements, a project reserve account for unanticipated increases in operating costs, operating subsidies, or costs relating to the portion of a mixed-income or mixed-use project not related to the affordable housing units. [§92.219(c)]
4. **Foregone Taxes, Fees, Charges:** Taxes, fees, and charges that are normally and customarily charged but have been waived, foregone, or deferred in a manner that achieves affordability of the HOME-assisted housing. This includes State tax credits for low-income housing development. The amount of real estate taxes may be based on the

post-improvement property value. For those taxes, fees, or charges given for future years, the value is the present discounted cash value. [§92.220(a)(2)]

5. **Appraised Land/Real Property:** The appraised value, before the HOME assistance is provided and minus any debt burden, lien, or other encumbrance, of land or other real property, not acquired with Federal resources. The appraisal must be made by an independent, certified appraiser. [§92.220(a)(3)]
6. **Required Infrastructure:** The cost of investment, not made with Federal resources, in on-site and off-site infrastructure directly required for HOME-assisted affordable housing. The infrastructure must have been completed no earlier than 12 months before HOME funds were committed. [§92.220(a)(4)]
7. **Site preparation, Construction materials, Donated labor:** The reasonable value of any site-preparation and construction materials, not acquired with Federal resources, and any donated or voluntary labor (see §92.354(b)) in connection with the site-preparation for, or construction or rehabilitation of, affordable housing. The value of site-preparation and construction materials is determined in accordance with the PJ’s cost estimate procedures. The value of donated or voluntary labor is determined by a single rate (“labor rate”) to be published annually in the Notice Of Funding Availability (NOFA) for the HOME Program. [§92.220(6)]
8. **Bond Financing:** Multifamily and single-family project bond financing must be validly issued by a State or local government (or an agency, instrumentality, or political subdivision thereof). 50% of a loan from bond proceeds made to a multifamily affordable housing project owner can count as match. 25% of a loan from bond proceeds made to a single-family affordable housing project owner can count as match. Loans from all bond proceeds, including excess bond match from prior years, may not exceed 25% of a PJ’s total annual match contribution. [§92.220(a)(5)] The amount in excess of the 25% cap for bonds may carry over, and the excess will count as part of the statutory limit of up to 25% per year. Requirements regarding

bond financing as an eligible source of match will be available upon publication of the implementing regulation early in FY 1994.

9. **Total Match:** Total of items 3 through 8. This is the total match contribution for each project identified in item 1.

Ineligible forms of match include:

1. Contributions made with or derived from Federal resources e.g. CDBG funds [§92.220(b)(1)]
2. Interest rate subsidy attributable to the Federal tax-exemption on financing or the value attributable to Federal tax credits [§92.220(b)(2)]
3. Contributions from builders, contractors or investors, including owner equity, involved with HOME-assisted projects. [§92.220(b)(3)]
4. Sweat equity [§92.220(b)(4)]
5. Contributions from applicants/recipients of HOME assistance [§92.220(b)(5)]
6. Fees/charges that are associated with the HOME Program only, rather than normally and customarily charged on all transactions or projects [§92.220(a)(2)]
7. Administrative costs

[illegible]

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